

**Commonwealth of Kentucky  
Department of Workers' Claims  
Office of the Commissioner**

**"BULLETIN"**

**RE: Negotiated Fees for Medical Services;  
Workers' Compensation Medical Fee Schedule**

The question of the propriety of a self-insured employer or an insurance company making payment to medical providers at a negotiated fee less than the Kentucky Workers' Compensation Medical Fee Schedule has been raised by various parties.

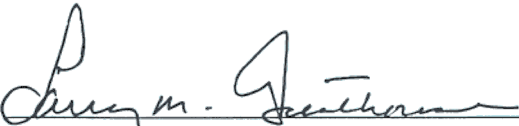
A clarification from this office has been requested.

It is an acceptable practice under our statutory framework (KRS 342.035; KRS 342.020) that self-insured employers and insurance carriers may pay medical providers a fee less than the Kentucky Medical Fee Schedule.

Our statutory provisions certainly exempt managed care organizations from the medical fee schedule limitations. Every other provision in our statutory framework merely prohibits amounts paid to providers from exceeding the fee schedule.

The paramount condition with respect to the payment of fees to medical providers is that, in the absence of designation of a managed health care system by the employer, the employee retains the right to select medical providers to treat his/her injury or occupational disease.

This 18<sup>th</sup> day of September, 2002.

  
Larry M. Greathouse, Commissioner